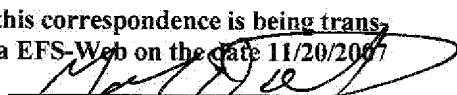


**PATENT APPLICATION
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Title: Steerable Drill Bit Arrangement
Application No.: 10/536,684
Confirmation No.: 4614
Inventor: Stroud, et al.
Filing Date: 01/17/2006
Group Art Unit: 3672
Examiner Stephenson, Daniel P
Attorney Docket No.: SMAR003

I hereby certify that this correspondence is being transmitted to the USPTO via EFS-Web on the date 11/20/2007


Mark Oathout, Reg. No. 33,747

Lodged via EFS-Web
Mail Stop Amendment
Commissioner for Patents

AMENDMENT & RESPONSE

This is in response to the Official Action mailed June 20, 2007.

Changes to the Specification begin on page 2 of this paper.

Changes in the Drawing Figures includes 1 page as a "New Sheet" and is enclosed with this submission.

Changes to the Claims are reflected in the listing of claims beginning on page 3 and ending on page 6 of this paper.

Remarks begin on page 7 of this paper.

Other Enclosures included herewith via EFS-Web are a petition for a two month extension of time along with the \$460 associated fee, plus the fee for one additional independent claim (4 total independent claims) of \$210.